Message Text

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P R 141903Z FEB 75 FM AMEMBASSY LONDON TO SECSTATE WASHDC PRIORITY 8315 INFO USMISSION GENEVA USMISSION EC BRUSSELS

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PASS AGRICULTURE
GENEVA FOR TNC DELEGATION

E.O. 11652: N/A TAGS: EAGR, AORG

SUBJECT: CONCLUSION IWC SESSION REF: LONDON 2292 (NOT SENT BRUSSELS)

1. SUMMARY. IWC AGREED TO EXTEND WHEAT AGREEMENT FOR ONE YEAR, FOLLOWING PATTERN SET FOR FAC. LENGTHY DISCUSSION RESULTED IN BROAD TERMS OF REFERENCE FOR WORKING GROUP ON POSSIBLE NEW INTERNATIONAL GRAINS ARRANGEMENT. SOVIETS RESERVED ON THEIR PARTICIPATION IN WORKING GROUD. GROUP WILL MEET FIRST IN CONJUNCTION WITH EXECUTIVE COMMITTEE MEETING NEXT MONTH. PROTOCOLS EXTENDING FOOD AID AND WHEAT TRADE CONVENTIONS FOR ONE YEAR ADOPTED WITHOUT EC BEING ABLE TO TAKE POSITION ON ITS CONTINUED PARTICIPATION IN FAC. US STATED ITS CONTINUED PARTICIPATION CONTINGENT UPON THAT OF PRESENT MAJOR MENBERS.

2. SEVENTY-SECOND SESSION OF INTERNATIONAL WHEAT COUNCIL LIMITED OFFICIAL USE

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(IWC) OPENED FEBRUARY 13. MAIN SUBSTANTIVE BUSINESS WAS

EXTENSION OF PRESENT INTERNATIONAL WHEAT AGREEMENT AND ESTABLISHING PREPARATORY GROUP FOR NEW AGREEMENT AS AUTHORIZED AT PREVIOUS SESSION. BECAUSE OF INABILITY OF EC TO AGREE TO TWO-YEAR EXTENSION OF FOOD AID CONVENTION, COUNCIL AGREED THAT WHEAT TRADE CONVENTION SHOULD ALSO BE EXTENDED FOR ONLY ONE YEAR.

- 3. FIVE-MEMBER CREDENTIALS COMMITTEE MET UNDER US CHAIR-MANSHIP AFTER ALL OTHER DELEGATIONS DECLINED TO CHAIR. SOUTH AFRICAN DELEGATION'S CREDENTIALS CHALLENGED BY EGYPT, PURPORTING TO SPEAK ON BEHALF OF OTHER ARAB AND AFRICAN MEMBERS, JUST AS AT PREVIOUS SESSION. EQYPTIAN CHALLENGE AND SOUTH AFRICAN REJOINDER NOTED FOR RECORD. SUBSEQUENTLY, USSR, ALGERIA AND CUBA ASSOCIATED THEMSELVES ON COUNCIL FLOOR WITH EGYPTIAN STATEMENT. CUBA ALSO TOOK POSITION ON FLOOR THAT GROK DID NOT SPEAK ON BEHALF OF ALL KOREA. KOREAN DEL ENTERED REBUTTAL IN RECORD.
- 4. DISCUSSION OF COMPOSITION AND TERMS OF REFERENCE FOR WORKING GROUP ON NEW AGREEMENT OCCUPIED REMAINDER OF COUNCIL SESSION WHICH CONCLUDED MID-MORNING FEB 14. DISCUSSION CONCERNED WHETHER NON-MEMBERS COULD BE INVITED AND HOW SPECIFIC TERMS OF REFERENCE SHOULD BE. PROPOSALS FOR COMPOSITION OF WORKING GROUP WANDERED FROM FORMULATIONS THAT WOULD HAVE INVITED ANY INTERESTED GOVERNMENT TO THOSE LIMITING GROUP TO IWC EXECUTIVE COMMITTEE PLUS OTHER INVITED IWC MEMBERS. ULTIMATELY, COUNCIL AGREED WORKING GROUP SHOULD CONSIST OF EXECUTIVE COMMITTEE AND ANY OTHER INTERESTED IWC MEMBER.
- 5. TERMS OF REFERENCE DISCUSSION CONCERNED DESIRE BY INDIA, USSR, BRAZIL AND FEW OTHERS TO IMPOSE FAIRLY TIGHT GUIDELINES AIMING AT PREPARATION OF NEW DRAFT WHEAT AGREEMENT. ESPECIALLY IN SOVIET VIEW, DRAFT WOULD, AFTER CONSIDERATION BY FULL COUNCIL, BE BASIS FOR NEGOTIATION IN UNCTAD OR OTHER UN FORUM OF SUBSTANTIVE PRICE AND QUANTITY PROVISIONS. INDIAN OBJECTIVES WERE TO ASSURE CONSIDERATION OF MARKET STABILIZATION AS A SPECIFIC OBJECTIVE AND TO LIMIT COMMODITY COVERAGE TO WHEAT. LIMITED OFFICIAL USE

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6. IN PRIVATE EXCHANGE US CONVINCED INDIAN DEL THAT ATTEMPT TO INSERT PARTICULAR OBJECTIVES WOULD RESULT IN SIMILAR EFFORTS BY MANY OTHER DELEGATIONS AND PROLONG, IF NOT PREVENT, REACHING AGREEMENT. INDIAN CONCERN ABOUT WHEAT UNEXPLAINED. AS DISCUSSION RESUMED FEB 14, BECAME CLEAR THAT, DESPITE SOVIET OBJECTION, CONSENSUS WAS FORMING BEHIND UNRESTRICTIVE TERMS OF REFERENCE. EC DEL,

AT THIS POINT, ALSO WAS ABLE TO BE HELPFUL AND INDICATED PRIVATELY THAT HE COULD ACCEPT BROAD TERMS OF REFERENCE. SOVIETS REPEATED EARLIER STATEMENT RESERVING THEIR PARTICIPATION IN GROUP WITH BROADLY CONSTRUCTED TERMS OF REFERENCE AND FOLLOWING (PROPOSED BY AUSTRALIA) WAS ADOPTED AS COUNCIL CONSENSUS:

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PASS AGRICULTURE

QUOTE. THE COUNCIL DECIDES TO APPOINT A PREPARATORY GROUP WHICH SHALL CONSIST OF MEMBERS OF THE EXECUTIVE COMMITTEE AND OF ANY OTHER INTERESTED MEMBER OF THE COUNCIL. TAKING INTO ACCOUNT THE DISCUSSIONS IN THE COUNCIL, THE PREPARATORY GROUP SHALL EXAMINE THE POSSIBLE BASES FOR A NEW INTERNATIONAL ARRANGEMENT TO REPLACE THE INTERNATIONAL WHEAT AGREEMENT AND REPORT TO THE NEXT SESSION OF THE COUNCIL. END QUOTE.

7. REFERENCE TO COUNCIL DISCUSSION INCORPORATES US VIEW ON IMPORTANCE OF GRAIN RESERVES IN ANY NEW ARRANGEMENT

AND THAT COMMODITY COVERAGE SHOULD NOT BE PREJUDGED, AS WELL AS DIVERSE VIEWS EXPRESSED BY OTHERS. COUNCIL AGREED, AT US SUGGESTION, TO LEAVE TIMING OF FIRST MEETING OF WORKING GROUP TO EXECUTIVE SECRETARY PAROTTE. FOLLOWING ADJOURNMENT, PAROTTE EXPLAINED TO US DEL TIMETABLE HE FORESAW IN WHICH FIRST WORKING GROUP MEETING WOULD BE HELD IN CONJUNCTION WITH NEXT REQULAR EXECUTIVE COMMITTEE MEETING, PLANNED WITHIN WEEK OF MARCH 17, LIMITED OFFICIAL USE

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FOLLOWED BY WORKING SESSIONS IN APRIL AND MAY AND REPORT TO JUNE 30 SESSION OF COUNCIL. FIRST SESSION WOULD BE EXPECTED TO CONSIDER WHAT NEEDS TO BE DONE, ADOPT WORK PROGRAM AND ISSUE INSTRUCTIONS TO SECRETARIAT ON PREPARATION OF STUDIES. TO PREPARE FOR FIRST MEETING, PAROTTE PLANS TO ISSUE DRAFT AGENDA AND ILLUSTRATIVE LIST OF ELEMENTS OF NEW AGREEMENT REQUIRINQ STUDY. HE WOULD DRAW, FOR THIS PURPOSE, UPON SUMMARY REPORT OF FEB 10-11 RESERVES MEETING WHICH HE IS PREPARING.

8. IWC MEETINGS CONCLUDED BY SESSION OF COUNCIL OF GOVERNMENTS AT WHICH PROTOCOLS EXTENDING BOTH CONVENTIONS TO JUNE 30, 1976 ADOPTED. EC UNABLE TO TAKE POSITION ON EXTENSION OF FAC, AS FAVORABLE INSTRUCTIONS EC DEL HAD EXPECTED WERE NOT RECEIVED. THEREFORE, FAC ALTERNATIVE A APPLIES. US NOTED FOR RECORD THAT ITS CONTINUED PARTICIPATION IN FOOD AID CONVENTION WAS CONTINGENT UPON THAT OF OTHER MEMBERS. JAPAN AND SWEDEN MADE SIMILAR STATEMENTS. DECON 2/14/1980 SPIERS

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